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Agenda item 5
Special economic, humanitarian and disaster relief assistance

Central Emergency Response Fund

Report of the Secretary-General*

Addendum

Summary

The present report has been prepared in response to General Assembly resolution 60/124 of 15 December 2005, in which the Assembly requested the Secretary-General to report to it at its sixty-first session, and to the Economic and Social Council, on the detailed use of the Central Emergency Response Fund. The report serves as an addendum to the report of the Secretary-General on strengthening the coordination of emergency humanitarian assistance of the United Nations (A/61/87-E/2006/81).

Key findings show that the implementation of the upgraded Fund during its first six months of operation has made great progress towards its objectives of promoting early action and response to reduce loss of life, enhancing response to time-critical requirements based on demonstrable needs and strengthening core elements of humanitarian response in underfunded crises. The Fund has also helped to improve field level coordination and has complemented other humanitarian funding arrangements. The timely disbursement of funds, however, has been an issue from the beginning. Adjustments are under way to accelerate those processes.

* The report was delayed for technical reasons.

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The future success of the Fund depends not only on replenishing the funds that have been spent but also on increasing overall levels, based on the demonstrated effectiveness of the Fund, towards the three-year target of 500 million dollars endorsed by the Assembly. A high-level donor conference is scheduled for 7 December 2006 in New York as an opportunity for donors to make new pledges and receive public recognition for their generous contributions. The Conference is also expected to draw broad-based political support for the Fund.

I. Introduction

1. The present report is submitted pursuant to General Assembly resolution 60/124 of 15 December 2005, which requested the Secretary-General to report to the Assembly and to the Economic and Social Council on the detailed use of the Central Emergency Response Fund during its sixty-first session. The report serves as an addendum to the report of the Secretary-General on strengthening the coordination of emergency humanitarian assistance of the United Nations of 2 June 2006.[1]

II. Fund implementation and use[2]

2. Pledges to the grant element of the Central Emergency Response Fund total 273.7 million United States dollars ($) to date. Of that amount, $261.9 million has already been transferred to the Fund, while $11.8 million is outstanding (see table 2). The Emergency Relief Coordinator, assuming $250 million in contributions for 2006 and in line with the Secretary-General's report on the Fund,[3] planned to commit approximately two thirds ($125 million) of the Fund to rapid response and one third ($75 million) to underfunded emergencies. He also decided to maintain a minimum balance of $30 million, the maximum allocation under the rapid response window, as a reserve.

A. Fund commitments[4] to date

3. The Emergency Relief Coordinator has committed $157.5 million to 25 countries from the Central Emergency Response Fund grant element (see table 1). Of that amount, $80.6 million has been committed to support rapid response, while $76.8 million has been committed for underfunded emergencies.

4. A breakdown of both rapid response and underfunded commitments by sector indicates that the top four sectors and their relative share of funds are as follows: food (26.9 per cent); multisector[5] (13.6 per cent); health (25.9 per cent); early recovery (3.0 per cent); and logistics and common services (11.4 per cent) (see chart). When comparing the above distribution with donor response to consolidated appeals and flash appeals, it is notable that food tops both lists (27 per cent for the Fund versus 54 per cent for the consolidated appeals/flash appeals, including in-kind contributions). However the Fund has dedicated greater resources to health (19.1 per cent of the Fund versus 4.8 per cent of the consolidated appeals/flash appeals) and multisectoral activities (13.6 per cent of the Fund versus 9.6 per cent of the consolidated appeals/flash appeals). This demonstrates that the Fund is able to supplement and enhance the resources provided by donors.

[1] A/61/85-E/2006/81.

[2] All financial information is as at 31 August 2006.

[3] A/60/432.

[4] For the purposes of the present report, "allocations" refers to fund amount allotted to specific countries or regions by the Emergency Relief Coordinator; "disbursements" refers to allocated funds that have been given to eligible agencies and organizations; and "commitments" refers to funds that have either been allocated or disbursed.

[5] Funds for refugee support programmes allocated to the Office of the United Nations High Commissioner for Refugees comprise the majority of multisectoral programmes.

Table 1

Central Emergency Response Fund total committed funds[a] and percentage of total by country, as at 31 August 2006

(United States dollars)

Country	Rapid response	Underfunded 1	Underfunded 2	Total committed	Percentage of total
Afghanistan	12 768 338	—	—	12 768 338	8.1
Burkina Faso	—	—	2 000 000	2 000 000	1.3
Burundi	—	2 083 330	2 000 000	4 083 330	2.6
Central African Republic	2 506 519	999 786	2 000 000	5 506 305	3.5
Chad	3 152 623	6 268 442	—	9 421 065	6.0
Congo	—	1 000 000	1 000 000	2 000 000	1.3
Côte d'Ivoire	946 037	1 000 000	3 000 000	4 946 037	3.1
Djibouti	1 905 355	—	—	1 905 355	1.2
Democratic Republic of the Congo	—	17 000 000	21 000 000	38 000 000	24.1
Eritrea	3 886 740	—	2 000 000	5 886 740	3.7
Ethiopia	3 978 239	1 000 000	—	4 978 239	3.2
Guinea	—	997 550	1 000 000	1 997 550	1.3
Guinea-Bissau	1 361 731	—	—	1 361 731	0.9
Haiti	—	1 000 000	—	1 000 000	0.6
Kenya	8 365 500	1 000 000	—	9 365 500	5.9
Lebanon	5 000 000	—	—	5 000 000	3.2
Liberia	—	—	4 000 000	4 000 000	2.5
Mali	—	—	2 000 000	2 000 000	1.3
Mauritania	—	—	2 000 000	2 000 000	1.3
Niger	5 503 823	—	—	5 503 823	3.5
Somalia	6 172 013	—	—	6 172 013	3.9
Sudan	21 024 699	—	—	21 024 699	13.4
Timor-Leste	4 047 931	—	—	4 047 931	2.6
Zambia	—	500 000	—	500 000	0.3
Zimbabwe	—	999 973	1 000 000	1 999 973	1.3
Total	**80 619 548**	**33 849 082**	**43 000 000**	**157 468 629**	**100.0**

[a] Committed funds include amounts approved and/or disbursed by the Emergency Response Coordinator. Underfunded tranche 2 funds have not been disbursed to date.

5. A breakdown of Fund commitments by country indicates that 81 per cent of the rapid response commitments and all but one of the underfunded commitments were for sub-Saharan Africa. Such figures indicate that populations there remain vulnerable to both armed conflict and natural disasters.

6. The size of the Fund's commitments across countries differs considerably. The difference is particularly evident in the underfunded crisis window, where

commitments range from $1 million, the minimum level allocation established by the Emergency Relief Coordinator, to $21 million. A preliminary analysis of the Fund's two allocations to underfunded emergencies in 2006 demonstrates that the Fund raised overall consolidated appeals process funding levels in recipient countries by 3 per cent. The highest increases occurred in the Central African Republic (6 per cent) and in Côte d'Ivoire (7 per cent). Early results indicate that even the minimum allocation had a measurable effect, particularly in countries with smaller appeals. In Guinea, for example, the commitment of $1 million helped operational agencies stop cholera and meningitis epidemics and contributed to reducing severe malnutrition. While large allocations to countries with vast needs (such as the total $38 million committed to the Democratic Republic of the Congo) were not able to significantly lift overall consolidated appeals process levels, the Fund has helped accelerate the implementation of key life-saving programmes that had not attracted sufficient donor attention.

7. The Fund's loan element, created pursuant to General Assembly resolution 46/182, continues to operate as a distinct and separately managed revolving fund.[6] Since the launch of the grant component on 9 March 2006, the United Nations Children's Fund (UNICEF), the World Food Programme (WFP) and the Office for the Coordination of Humanitarian Affairs have continued to use the loan element as a cash flow mechanism when funds are expected. The Office for the Coordination of Humanitarian Affairs, as the Office of the fund manager, is not eligible for the Fund's grants but remains eligible for loans. In 2006, as at 31 August, eight loans had been disbursed from the Fund totalling $43.2 million. All eight loans were provided to the Sudan to finance projects to be covered by the Sudan pooled fund. In that way, the Fund's loans covered the lag between donor pledges and the transfer of funds.

B. Key results based on objectives[7]

8. The Assembly, in resolution 60/124, set out three objectives for the new Fund: to promote early action and response to reduce loss of life; to enhance response to time-critical requirements based on demonstrable needs; and to strengthen core elements of humanitarian response in underfunded crises. The Fund has made significant progress towards achieving those objectives. Timeliness, however, has been an issue, especially in the beginning, and adjustments have been put in place to accelerate disbursement.

Promote early action

9. Experience implementing the Fund to date confirms that it has been able to launch relief operations effectively in the wake of a sudden onset emergency and in cases of rapid deterioration of an existing crisis. Following the outbreak of fighting in Timor-Leste in April and May 2006, when more than 135,000 people became displaced overnight, the $4 million from the Fund helped the World Food

[6] The eligibility, conditions and process for reimbursements to the loan element are outlined in ST/SGB/251 of 22 July 1992.

[7] All reports on the implementation and results of projects funded by the Central Emergency Response Fund are as at 31 July 2006. For more detail, please refer to the Fund's website, http://cerf.un.org.

Programme ensure the minimum levels of food and provide supplementary rations to children and pregnant/breastfeeding women until longer-term programming was established. The Fund allowed UNICEF to prevent the outbreak of waterborne diseases by funding the immediate construction of 20 latrines in the camps during the first 10 days of the emergency. It helped the Office of the United Nations High Commissioner for Refugees (UNHCR) improve shelter and ensure civilian protection in the most crowded camps, and it allowed the International Organization for Migration (IOM) to step up the swift and timely transportation of food and supplies to camps for internally displaced persons.

10. When three consecutive failed rainy seasons left more than eight million people in five countries vulnerable to food and livestock shortages in the Horn of Africa, the Fund allocated $25 million to support initial projects in the Consolidated Appeal for 2006 for the Horn of Africa. The disbursement of $10 million in Kenya allowed UNICEF, the Food and Agriculture Organization of the United Nations (FAO), the United Nations Population Fund (UNFPA), WFP and the World Health Organization (WHO) to continue life-saving and livelihood support programmes, including the provision of supplementary food to the neediest, support to local basic health services, the procurement of reproductive health kits and the provision of basic drugs and feeding for livestock.

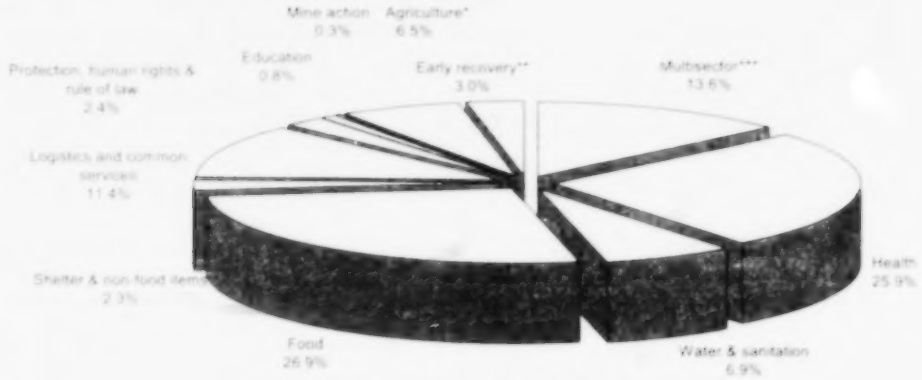
11. Within the context of rapid response, the Fund has been particularly effective at jump-starting critical common humanitarian services. For example, in the initial stages of the response to the crisis in Lebanon, Fund support of $2.5 million to common logistics services helped the country team to expedite the transportation of humanitarian commodities from the Syrian Arab Republic into Lebanon, mobilize a significant trucking fleet from Beirut to transport food and supplies to conflict-affected communities, charter an aircraft for the delivery of vehicles and ensure an appropriate security structure to support all logistics operations. In Ethiopia, funding from the Central Emergency Response Fund filled unmet needs in the logistics and communications clusters and allowed for crucial field security operations to be implemented immediately in the Somali region.

Enhance time-critical response

12. The swift allocation of funds from the Central Emergency Response Fund also allowed humanitarian agencies to scale up relief operations immediately when response became time-critical. In early 2006, when violence against civilians in Darfur doubled the number of internally displaced persons, funds from the Central Emergency Response Fund allowed agencies to deliver assistance to more than 200,000 newly displaced persons and to 14,000 refugees from Chad before the rainy season, which would have made access to many areas problematic. The allocation of $5.5 million to WFP in Niger helped avert a humanitarian crisis by preventing an impending food pipeline break. The Food and Agriculture Organization of the United Nations was able to use funds from the Central Emergency Response Fund to provide immediate agricultural assistance to internally displaced persons in Chad. Without it, farmers would have missed the start of their cereal planting seasons, which would have prolonged their dependence on food aid and other relief. In Timor-Leste, UNHCR supplied tents and blankets, which helped bring about a 50 per cent reduction in the number of reported cases of pneumonia in camps for internally displaced persons.

Chart

Central Emergency Response Fund: total committed funds by sector, as at 31 August 2006



* Agriculture includes food security, livelihood support, and livestock.
** Early recovery, here, includes emergency assistance to returnees.
*** Multisector includes only multisector refugee assistance.

Strengthen core elements of response in underfunded emergencies

13. The Fund has also been able to help address acute humanitarian needs in underfunded emergencies in countries with or without consolidated appeals. In Burundi, the Fund disbursement of $2 million provided humanitarian agencies with a quick injection of cash to implement time-sensitive programmes that had not been adequately funded in its 2006 consolidated appeals process. For example, UNHCR used funds from the Central Emergency Response Fund to complete the construction of houses for families returning from the United Republic of Tanzania before the rainy season and help avoid the establishment of additional internally displaced person camps. Following unforeseen flooding in north-western provinces in Burundi, FAO used funds from the Central Emergency Response Fund to help plant crops in marshlands in five provinces to restore a critical source of food to recent returnees. In the Democratic Republic of the Congo, the first allocation of $17 million in grants from the Fund has helped accelerate the implementation of priority life-saving programmes, including malaria control, cholera response, mine-action activities and protection of internally displaced persons. A second allocation of $21 million will be disbursed as part of the second underfunded allocation, pending approval of projects. An allocation of $1 million from the Fund to boost humanitarian response activities in the Central African Republic helped provide life-saving assistance to the internally displaced persons and other groups in the northern provinces, including the rehabilitation of hand pumps for safe drinking water and protection activities on behalf of internally displaced populations in the north.

14. The Fund has also helped to make up for funding shortfalls in vital but underfunded sectors. In Zimbabwe, 81 per cent of the funding was given in the food sector (as compared to 18 per cent for shelter, 7 per cent for education, 5 per cent for agriculture and 1 per cent for health). The disbursement of $1 million from the

Fund allowed the resident/humanitarian coordinator and country team to dedicate $250,000 for emergency health response to successive, acute cholera outbreaks and $250,000 for emergency temporary shelter to 375 households. In Côte d'Ivoire, where the health sector was severely underfunded, funds from the Central Emergency Response Fund enabled the World Health Organization to provide essential medical supplies and support vaccination campaigns for 500,000 internally displaced persons.

III. Administration and management of the Fund

A. Establishment of the Fund

15. The Emergency Relief Coordinator manages the Central Emergency Response Fund under the authority delegated to him by the Secretary-General (see General Assembly resolutions 60/124 and 46/182). Following the launch of the Fund on 9 March 2006, the Emergency Relief Coordinator decided to put its funds to immediate use to address pressing humanitarian needs on the ground. As a first step, the Emergency Relief Coordinator drew upon existing staff in the Office for the Coordination of Humanitarian Affairs, created a small, dedicated secretariat to administer the Fund and established a 12-member advisory group to provide the Secretary-General with guidance on the use and impact of the Fund. The Emergency Relief Coordinator also established a process for consultations at the policy level with the Inter-Agency Standing Committee and at the operational level with United Nations humanitarian agencies and the International Organization for Migration, who are eligible to receive funds directly from the Central Emergency Response Fund.

16. Shortly after the launch, the Secretary-General's bulletin (forthcoming) on the establishment and operation of the upgraded Central Emergency Response Fund was drafted and immediately used as provisional guidance on eligibility, the relationship between the loan and grant elements, and conditions for disbursements, fund management, resource mobilization, oversight, reporting, evaluation and the role of the Advisory Group. It also establishes the field-driven nature of the Fund and the central role played by country teams under the leadership of resident/humanitarian coordinators in establishing priority projects.

B. Decision-making procedures

Rapid response window

17. Decisions on when and how to use the Fund's resources are based on a two-tiered approach. At Headquarters, the Emergency Relief Coordinator, together with agencies, decides on a country allocation. The allocations are based on requests from the resident/humanitarian coordinators and country teams, including an analysis of the humanitarian context, the implications of unmet needs and current or projected funding. The Emergency Relief Coordinator and/or agencies and organizations may also proactively suggest potential uses of the Fund by alerting resident/humanitarian coordinators when funds may be appropriate. For example, the first two allocations from the Fund, for rapid response to Côte d'Ivoire and the drought in the Horn of Africa, were made at the suggestion of the Emergency Relief

Coordinator following consultations with the resident/humanitarian coordinators and country teams. However, the subsequent allocations to Afghanistan, the Central African Republic, Chad, Guinea-Bissau, the Niger and the Sudan were the result of requests from resident/humanitarian coordinators. In the case of Lebanon and Timor-Leste, United Nations agencies also urged country teams on the ground to apply for funding from the Central Emergency Response Fund.

18. Once an allocation is made by the Emergency Relief Coordinator, decisions on how to use the Fund are made at the field level. The resident/humanitarian coordinator, in consultation with the country team, submits applications for individual projects based on a joint consideration and prioritization of immediate needs and the likely speed of donor response to emergency appeals.

19. The Fund is inadequate in size to respond to all rapid response requests. Its management therefore requires difficult choices. Some funding requests were adjusted or declined because they did not fit the Fund's criteria or did not have adequate justification. In those cases, the Emergency Relief Coordinator worked closely with the resident/humanitarian coordinator and members of the country team to agree on other options. For example, requests for funds for data-gathering in Kenya were declined, as they did not fit the Fund's "life-saving" criteria. In Afghanistan, only $12 million out of a total of $37 million requested for emergency food was given owing to the limited funds in the Central Emergency Response Fund, and a loan was suggested to cover the remaining amount. During the acute flooding in Suriname in May 2006, an initial request for the Fund's support became unnecessary following an immediate direct contribution by the Netherlands.

Underfunded emergency window

20. The design of the Fund envisioned that up to one third of the grant component would be designated for core emergency humanitarian needs in underfunded emergencies. Decisions for such allocations are made twice a year by the Emergency Relief Coordinator in close consultation with agencies and organizations eligible to receive funds from the Central Emergency Relief Fund based on funding levels inside and outside the consolidated appeals process. Though such allocations are meant to take place in January and July, in the light of the March launch of the Fund, funding allocations for 2006 occurred in May ($32 million) and August ($43 million).

21. In 2006, distributions under the above window were determined by ranking donor response to consolidated appeals based on data captured by the Financial Tracking Service[*] and selecting the bottom one third as recipients of funds from the Central Emergency Response Fund. Key emergency humanitarian indicators and humanitarian funding outside the consolidated appeals were also taken into account. When apportioning funds across the selected countries, the Emergency Relief Coordinator considered the relative proportion of unfunded, core emergency humanitarian needs or life-saving activities in each appeal. The Emergency Relief Coordinator also consulted with the eligible agencies and organizations on the apportionment of funds. Funds have also been committed to countries not participating in the consolidated appeals process, identified by and in consultation with agencies, as part of the window. Operational agencies felt that they would

[*] http://www.reliefweb.int/fts

benefit from longer periods of consultation, particularly for allocations to countries without a consolidated appeal. As it is expected that the 2007 allocations will follow the January-July schedule, such consultations will be more systematic.

C. Discussions and recommendations of the Advisory Group

22. The Central Emergency Response Fund Advisory Group held its first meeting on 23 May in New York to review the Fund's establishment, its performance and the management of grant requests. In particular, members discussed the process for identifying underfunded emergencies and the allocation of funds. They raised the issue of the role of non-governmental organizations (NGOs) in activities funded by the Central Emergency Response Fund, the definition of "life-saving" and the possible eligibility of disaster-preparedness projects. Members discussed the Advisory Group's own role as providing guidance rather than making decisions. Members also agreed to help with fund-raising and public advocacy by submitting editorial pieces about the Fund in local and regional newspapers. The group also expressed an interest in playing a role in the two-year external evaluation and offered some suggestions on how to measure the impact of the Fund on humanitarian response. The meeting minutes are available on the Fund's website.[9]

23. The next meeting of the Advisory Group is scheduled for 12 October in Geneva, during which it will analyse funding trends, suggest a target for the Fund's grant component for 2007 and provide advice on a replenishment and fund-raising strategy. Many participating agencies have also suggested that the Advisory Group could be invited to review issues related to implementation periods, allocation of the Fund's resources to countries not participating in the consolidated appeals process, and reporting.

IV. Observations and issues

24. The following observations may be made about the implementation, use and management of the Fund based on its first six months of operation.

Improving the timing of disbursement from the Fund

25. As the Emergency Response Fund decided to implement the Central Emergency Response Fund immediately and before systems for its use were firmly in place, the timely allocation and disbursement of its funds have been an issue. However, adjustments have been put in place to accelerate allocation and disbursement.

26. Despite concerted efforts by the Controller of the United Nations, the Fund's secretariat and recipient agencies and organizations to expedite funding procedures, "growing pains" have slowed the process for requesting and receiving funds. However, in some cases, administrative delays did not affect assistance. For example, funding approval by the Emergency Relief Coordinator for rapid onset emergencies such as those in Lebanon, Timor-Leste and Darfur occurred within 72 hours, allowing many agencies to begin assistance activities using internal reserves.

[9] http://cerf.un.org.

27. Steps are being taken to address administrative delays and streamline application processes. These include the agreement on programme support costs (7 per cent) and the acceptance of consolidated appeal and flash appeal project sheets in lieu of separate project applications. The Fund's processes are being adapted to meet internal agency financial requirements. Such guidelines and criteria, including the development of a common letter of understanding, should be finalized as a matter of priority. Effective guidance on processes and procedures has also proven to be key, and where it has been lacking it has contributed to delays in requests for and approval of funds. The Central Emergency Response Fund secretariat is now rolling out a training programme that targets those country teams that have received substantial allocations. The above steps, combined with the additional development of guidelines and templates, have improved the quality of requests and reduced procedural time lags.

28. It is already evident the preceding steps have brought about a marked improvement in the speed of disbursements. Whereas in April the whole process of disbursing funds in Côte d'Ivoire took almost two months, requests received in early May from the Sudan were disbursed within a month. Requests received in July for Lebanon were disbursed in a little over one week. Most recently, requests received for Afghanistan on 10 August were received and approved on the same day. In order to make even more improvements, the Fund's secretariat will further draw on lessons learned from operational agencies in managing their internal reserves.

29. During its early implementation, the Fund has benefited from the work of its secretariat, which in close cooperation with recipient agencies and organizations has helped improve its management and use. However, experience has demonstrated that there is a tremendous amount of work involved in developing the Fund's policies while at the same time putting the Fund to use. Before the end of the year, the Emergency Relief Coordinator should reflect on the staff resources dedicated to the Fund's secretariat and ensure that they are commensurate with workload requirements.

Enabling stronger field-level coordination

30. The Fund has contributed to field-level coordination by requiring joint prioritization, planning and decision-making as a country team, led by the resident/humanitarian coordinator. In Somalia, requests from the Fund for joint health and nutrition proposals by UNICEF, WHO and WFP fostered increased coordination among agencies. In the Democratic Republic of the Congo, the Fund reinforced the cluster approach by compelling supporting members to participate more actively and systematically in the identification and targeting of emergency programmes. In Eritrea, the anticipation of Fund support contributed to stronger information management. Such collective approaches should be strengthened to ensure consistency and avoid confusion in decision-making.

31. The Fund also facilitated consultations and coordination with affected Governments. In Timor-Leste, the United Nations ability to respond quickly lent credibility to the country team. In Djibouti, funding from the Central Emergency Response Fund was the first substantial and comprehensive response to a government appeal for assistance leading to joint planning with government counterparts and allowing agencies such as the United Nations Development

Programme to provide immediate government support in reinforcing response capacity.

Broadening engagement and partnerships through the Central Emergency Response Fund

32. While the Central Emergency Response Fund may provide funding only to United Nations agencies and the International Organization for Migration, it has benefited from the participation of NGOs and other stakeholders that have carried out numerous projects, funded by the Central Emergency Response Fund, as implementing partners. In Côte d'Ivoire, nine international NGOs, seven local counterparts and one privately owned public utility were involved in implementation, and in Darfur, agencies targeted funds from the Central Emergency Response Fund for projects in areas where NGOs, including local NGOs, were operating but had insufficient resources.

33. While such partnerships have been positive, issues such as direct NGO participation in the Fund, coordination between United Nations agencies and NGOs on Fund projects, and programme support costs to NGOs remain under discussion. Consideration should also be given to using the Fund to further strengthen, as an indirect benefit, partnerships with credible, national NGOs.

Existing funding mechanisms complemented by the Central Emergency Response Fund

34. The early implementation of the Fund suggests that it has effectively complemented existing humanitarian funding mechanisms. The Fund was useful in facilitating early action through operational activities in coordination with flash appeals. This was the case in Timor-Leste when the commitment of its funds coincided with the flash appeal, enabling agencies to scale up quickly and begin providing assistance.

35. The Fund's projects were also able to boost life-saving activities within the context of existing appeals. When, in May 2006, donors had funded only 25 per cent of the $668 million in the 2006 Plan of Action for the Democratic Republic of the Congo, the Fund contributed to correcting funding disparities without compromising the existing strategic plan. In May 2006, the consolidated appeals process for Guinea was only 28 per cent funded, despite the inclusion of urgent cholera and meningitis response projects. To mitigate the effects of insufficient funding, the Fund supported food security, health, and water and sanitation projects that already fit within Guinea's consolidated humanitarian action plan and was able to complement the existing strategic priorities set for the overall relief effort.

36. The Fund has also worked in coordination with the emergency funds of individual agencies. For example, it provided FAO with a more flexible alternative to that agency's emergency fund, which is mostly restricted to loans pending receipt of formal donor commitments. The United Nations Children's Fund has recognized the Central Emergency Response Fund as an important addition to its own emergency reserve, as it was able to draw from both sources in Timor-Leste and in the Horn of Africa. Early indications also suggest that in 2006 donors to the Fund kept their commitments to the World Food Programme immediate response account.

37. The early experience of the Fund has also demonstrated that grants and loans may be used in mutually reinforcing ways. This was the case in the Sudan, where grants from the Fund were used to assist new internally displaced persons in the south-west and to support underfunded consolidated appeal sectors, while loans from the Fund were used to initiate assistance activities that were to be covered by pooled funds. In the future, the Emergency Relief Coordinator may respond to grant requests with a mixture of loans and grants. The loan element may be increasingly used for activities, such as preparedness and prevention, that are not considered core life-saving activities and are therefore not eligible for Central Emergency Response Fund grants. As new funding mechanisms are developed and implemented, it will be important to ensure that the Fund works with them in mutually reinforcing ways.

Reporting on the funds of the Central Emergency Response Fund

38. As the Fund was created by the General Assembly and is managed by the Secretariat, it is subject to an annual internal and external audit that requires compliance with standard United Nations reporting policies, timelines and formats. In addition, the Fund aims to be transparent and accountable to all of its stakeholders, including donors and the public. Reporting therefore includes financial and narrative updates to a dedicated Fund website, as envisioned by the report of the Secretary-General.

39. The Fund's secretariat has been consulting on reporting arrangements with agencies and organizations eligible to receive funds from the Central Emergency Response Fund. Such consultations aim to balance the need for transparency and accountability with the principles of good humanitarian donorship that strive to streamline reporting. In doing so, agencies and the fund manager hope to build on relevant existing reporting arrangements — such as those agreed among the members of the United Nations Development Group and those used as part of the consolidated appeals process — in line with agreements that exist between agencies and the donor community.

V. Fund levels, trends and replenishment

40. The immediate establishment and quick implementation of the Fund has been possible through the generosity of the 52 Member States, one private sector organization and one local government that have contributed to the Fund, as well as the swift transfer of their pledges and the active interest and political engagement of Member States throughout the year (see table 2). In that context, the Fund has been the best-supported and most rapidly implemented fund among the three funds established during the World Summit in September 2005.

Table 2
Contributions to the Central Emergency Response Fund as at 31 August 2006
(United States dollars)

Donor	*Pledged*	*Received*	*Outstanding*
Andorra	25 440.00	25 440.00	—
Antigua and Barbuda	5 000.00	5 000.00	—
Armenia	5 000.00	—	5 000.00
Australia	7 600 000.00	7 600 000.00	—
Azerbaijan	20 000.00	20 000.00	—
Bangladesh	5 000.00	5 000.00	—
Belgium	1 190 336.19	—	1 190 336.19
Canada	21 941 309.26	21 941 309.26	—
China	1 000 000.00	—	1 000 000.00
Croatia	5 000.00	5 000.00	—
Czech Republic	113 739.00	—	113 739.00
Denmark	8 401 243.38	8 401 243.38	—
Djibouti	2 000.00	—	2 000.00
Egypt	15 000.00	15 000.00	—
Estonia	24 000.00	24 000.00	—
Finland	5 154 000.00	5 154 000.00	—
France	1 190 336.19	1 190 336.19	—
Greece	100 000.00	—	100 000.00
Grenada	10 000.00	10 000.00	—
Iceland	150 000.00	150 000.00	—
India	2 000 000.00	1 000 000.00	1 000 000.00
Indonesia	50 000.00	50 000.00	—
Ireland	12 601 974.00	12 601 974.00	—
Japan	7 500 000.00	7 500 000.00	—
Kazakhstan	25 000.00	25 000.00	—
Kuwait	200 000.00	200 000.00	—
Liechtenstein	100 000.00	100 000.00	—
Luxembourg	4 000 000.00	4 000 000.00	—
Malaysia	50 000.00	50 000.00	—
Mexico	50 000.00	—	50 000.00
Monaco	25 000.00	25 000.00	—
Morocco	5 000.00	5 000.00	—
Netherlands	25 260 000.00	25 260 000.00	—
Nigeria	100 000.00	—	100 000.00
Norway	29 993 971.19	29 993 971.19	—
Pakistan	20 000.00	20 000.00	—

Donor	*Pledged*	*Received*	*Outstanding*
Poland	250 000.00	250 000.00	—
Portugal	254 220.00	254 220.00	—
Qatar	2 000 000.00	2 000 000.00	—
Republic of Korea	5 000 000.00	5 000 000.00	—
Saudi Arabia	1 000 000.00	—	1 000 000.00
Slovenia	10 000.00	—	10 000.00
South Africa	288 577.15	288 577.15	—
Spain	9 999 984.00	9 999 984.00	—
Sri Lanka	10 000.00	10 000.00	—
Sweden	41 093 249.80	41 093 249.80	—
Switzerland	3 787 878.79	1 524 842.18	2 263 036.61
Thailand	10 000.00	10 000.00	—
Trinidad and Tobago	20 000.00	20 000.00	—
Turkey	300 000.00	300 000.00	—
United Kingdom of Great Britain and Northern Ireland	69 928 000.00	69 928 000.00	—
United States of America	10 000 000.00	5 000 000.00	5 000 000.00
Disaster Resource Network	10 000.00	10 000.00	—
Hyogo Prefecture Japan	850 211.00	850 211.00	—
Total	**273 750 469.95**	**261 916 358.15**	**11 834 111.80**

41. The future success of the Fund depends not only on replenishing the funds that have been spent but also on increasing overall levels based on the demonstrated effectiveness of the Fund towards the three-year target of $500 million (including the loan element) endorsed by the General Assembly. Based on that overall goal the Advisory Group will recommend an interim Fund target for 2007 as well as a strategy for replenishment during its October meeting. Donors may wish to bear such targets in mind when considering contributions for 2007. Member States that have not yet contributed are invited to do so and further strengthen this important initiative. The Fund would also be served by donor commitment to multiple-year pledges and dedicated budget lines for the Fund in their assistance budgets. A high-level donor conference for the Fund is scheduled for 7 December 2006 in New York. The event will be an opportunity for contributors to receive public recognition for their generous contributions and draw broad-based political support for the Fund.

VI. Conclusions

42. The early experience of implementing and managing the Fund has demonstrated that it has come a long way towards achieving the objectives set by the General Assembly and that it has added value to humanitarian response. It has helped operational agencies mount an initial response in sudden-onset crises ahead of donor funding; it has stepped up operations when situations suddenly deteriorated and when humanitarian activities required immediate action; it has injected much

needed cash into underfunded life-saving activities. Though at times the smooth functioning of the Fund has been hampered by the "growing pains" inherent in the establishment of a significant new fund there have been demonstrable improvements since the launch in March. Its effectiveness will improve as key decision makers and staff become more familiar with its procedures and administrative delays are resolved. The benefits of the early application of the Fund to new and existing humanitarian emergencies are clear.

43. The Fund remains an important component of humanitarian reform as it has both strengthened and been strengthened by the implementation of the cluster approach improvements to the humanitarian coordinator system and efforts to broaden collaboration and partnerships. The Fund has been most effective where country-level leadership and joint decision-making is strongest and has acted as a catalyst to improve joint prioritization at the country level, with the resident/humanitarian coordinator playing an increased facilitative and strategic role. The Fund has worked in tandem with humanitarian clusters where they exist to improve coordination and strengthen capacity particularly in those sectors that suffer from a lack of funds. It has helped and been helped by the participation of non-United Nations partners in planning and implementing its projects.

44. For the Fund to remain an effective emergency tool it must be adequately and actively supported in the long term. The past six months have demonstrated what can be achieved if support is sustained. I am hopeful that the political and financial momentum generated by the Fund in 2006 can be carried forward into 2007 and beyond. The success of the Fund also depends on its ability to work in tandem with existing funding mechanisms. For that reason it is important that donors continue to support existing emergency funds, consolidated appeals and flash appeals in addition to the Central Emergency Response Fund.

45. Finally, I aim, together with the Emergency Relief Coordinator, to promote a culture of learning to ensure that the Fund is the mechanism we wish it to be. I am grateful for the support shown by the Central Emergency Response Fund Advisory Group to date and intend to make full use of its expertise and guidance to help us continue to refine the Fund's function and use. I also look forward to the two-year independent review of the Fund to help it achieve its ambitious but important goals.

46. I would like to thank Member States for their early support of the establishment and implementation of the Fund and encourage the Assembly to welcome its further development and use during its sixty-first session. I invite all Member States to contribute to the Fund to provide rapid coordinated predictable and equitable funding to humanitarian emergencies based on demonstrable needs. I look forward to reporting back to the membership during its sixty-second session on the continued use and management of the Fund.